

"JAPAN'S ECONOMIC DEVELOPMENT AND MINERAL REQUIREMENTS"

By

His Excellency Nobuhiko Ushiba

Japanese Ambassador to Canada

Address given at Northern

Resources Conference

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His Excellency . Nobuhiko Ushiba
Japanese Ambassador to Canada

It is a great pleasure for me to visit this bustling capital in Canada's northern frontier country and to join you at this Conference on Northern Resources. I consider it a great honor indeed to have been asked to speak to this meeting of distinguished guests from the Canadian mining, government and business world on the subject "Japan's Economic Development and Mineral Requirements".

At the very outset I wish to state that Japan is one of the few countries in the world which has enjoyed an extremely high rate of economic growth in the postwar period. And even though the tempo of our economic growth may become less intense in the future, I am confident that our economy will continue to show a healthy rate of expansion when compared with that of the other industrial countries.

The rapid rise in our industrial production has been accompanied by an even sharper increase in our mineral requirements, and it may be assumed that this trend will continue in the future. Moreover, our domestic mineral production is limited by our scanty natural resources, and this deficiency will make inevitable our greater dependence on imports to meet the demands of our industries.

It is evident, therefore, that Japan can become a tremendous market for Canadian mineral resources, particularly of the Pacific coast area, providing, of course, the Canadian mining industry is capable of exporting on a competitive basis.

In this context, I wish to:

1. Review Japan's postwar economic achievements and comment on our future prospects;
2. Examine Japan's mineral requirements in relation to our industrial production, developments in mineral imports and their future outlook; and
3. Consider the prospects in Japan of increased Canadian mineral export.

Japan's economy was almost completely devastated by the Second World War. As a result, in 1946 our mining and manufacturing production were reduced to 40 per cent and 20 per cent respectively of the 1938 level, and our gross national income cut to almost one-half. However, our economic rehabilitation proceeded at a steady rate and by 1953 industrial activity was restored to the 1938 level. This meant that our economic recovery in the immediate postwar period was at a slower pace than in the other war ravaged countries such as Italy, France and Germany. But after 1953, it began to expand at a phenomenal rate.

According to the 1961 Statistical Yearbook of the United Nations, Japan's industrial production in 1960 was 2.6 times the 1953 base year and showed the highest rate of economic expansion in the world. In the same period the figure for West Germany was 1.8 times, for Canada and Britain 1.3 times, and the United States 1.2 times. Our real national income also doubled during this period, and the per capita income in 1960 was 60 per cent higher than in 1938.

My purpose in pointing out Japan's record as a nation with the world's highest economic growth rate is for no other reason than to impress upon you the significance of Japan as an immense potential market. Naturally, you will ask: "What is the dimension of the Japanese market?" To answer this question I wish to review briefly the present level of our economy.

In terms of gross national income, Japan's national income in

"JAPAN'S ECONOMIC DEVELOPMENT AND MINERAL RESOURCES"

by

His Excellency Mr. Masahiko Ueda
Minister of International Trade and Commerce

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At the very outset I wish to state that Japan is one of the few countries in the world which has enjoyed an extremely high rate of economic growth in the postwar period. And even though the tempo of economic growth may have been less intense in the future, I am confident that our economy will continue to show a healthy rate of expansion when compared with that of the other industrial countries.

The rapid rise in our industrial production has been accompanied by an even sharper increase in our mineral requirements, and it may be assumed that this trend will continue in the future. However, our domestic mineral production is limited by our scanty natural resources, and this deficiency will make inevitable our greater dependence on imports to meet the demands of our industries.

It is evident, therefore, that Japan can become a tremendous market for Canadian mineral resources, particularly of the Pacific coast area. It is, of course, the Canadian mining industry's desire to export on a competitive basis.

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1. Review Japan's postwar economic achievements and demands for our future prospects;
2. Examine Japan's mineral requirements in relation to our industrial production, developments in mineral imports and their future trends; and
3. Consider the prospects in Japan of increased Canadian mineral exports.

Japan's economy after almost complete devastation by the Second World War, as a result of the 1945 atomic and conventional bombing, was reduced to 40 per cent and 50 per cent respectively of the 1938 level, and our Gross National Product was to almost one-half. However, our economic rehabilitation proceeded at a steady rate and by 1953 industrial production was restored to the 1938 level. This meant that economic recovery in the immediate postwar period was at a slower pace than in the other war ravaged countries such as Italy, France and Germany. But since 1953, it began to expand at a phenomenal rate.

According to the 1954 Statistical Yearbook of the United Nations, Japan's industrial production in 1950 was 2.6 times the 1938 level and showed the highest rate of economic expansion in the world. The same period the figure for West Germany was 1.8 times, for Italy and Britain 1.3 times, and the United States 1.1 times. Our national income also doubled during this period, and the per capita income in 1950 was 50 per cent higher than in 1938.

My purpose in pointing out Japan's record as a nation with a world's highest economic growth rate is for no other reason than to stress upon you the significance of Japan as an immense potential market. Naturally, you will ask: "What is the dimension of the Japanese market?" To answer this question I wish to review briefly a general level of our economy.

In terms of Gross National Income, Japan's national income is

1960 was US \$31.8 billion. This is comparable to the Canadian gross income in the same year of \$32.1 billion. Thirty per cent of our national income was derived from the manufacturing industry as compared with 26 per cent in Canada, and only two per cent from the mining industry which was one-half that of Canadian percentage. This difference in the economic structure of the two countries would naturally indicate a much greater dependence of Japan on overseas sources for mineral supply. For the present I wish only to point out that Japan's import of metallic minerals, including scrap metals, non-metallic minerals and mineral fuels worth \$1.5 billion in 1960 was increased to \$2 billion in 1961.

Our national income, in terms of per capita income, is only one-fifth that of Canada. In spite of our high rate of economic growth it is quite clear that we must exert still greater efforts before our standard of living can be brought to the level existing today in Western Europe. To further improve the living standards of the nation, the Government has drawn-up a long range economic program, the details of which I shall describe later, to double the nation's per capita income. This program is known as the income-doubling plan, and by 1970 the nation's per capita income is expected to double the 1960 figure.

In considering Japan's overall economic picture, the role of foreign trade must not be overlooked. Our total trade in 1960 was valued at about \$5 billion in both exports and imports. In comparison with Canada's exports and imports of \$6 billion each, our per capita trade is considerably lower. However, from the standpoint of the nation's economy, it must be said that foreign trade is at least equally, if not even more vitally important to Japan than to Canada.

The reason, of course, is that Japan must support, in an area the size of Newfoundland and almost totally deficient in natural resources required to sustain a modern economy, a population five times greater than that of Canada. We are almost self-sufficient insofar as our rice requirements are concerned, but we still must import \$600 million or 20 per cent of the nation's food demands each year. Much of this food import consists of wheat, 1.5 million tons of which is purchased from Canada.

As far as industrial raw materials are concerned, the economic position of Canada and Japan are similar in that we must both depend 100 per cent on import of bauxite, raw cotton, raw wool, phosphate, crude rubber and copra. But in Japan's case, we must also import a bulk of our crude oil, iron ore, salt, copper and coking coal.

If we are to acquire the necessary foreign exchange to purchase foodstuffs, raw materials and industrial products essential in keeping Japan's economy going, we must process the imported raw materials and export the finished products. In other words, it is imperative that we secure a reasonable overall balance in the commodity trade. Any recurrence of the critical situation of 1961, when we incurred a huge trade deficit of \$900 million in the commodity trade, would mean a drastic curtailment of our economic growth.

Our imports from Canada in that critical year were \$266 million and our exports to Canada \$121 million. Imbalance of trade is a matter of vital concern to us, for reason just mentioned, and I am sure you can appreciate our efforts to ameliorate this situation. I am glad to notice some signs of improvement in this respect last year.

At this point I should like to make some comparison of the major items of production between Canada and Japan, using the figures for 1960.

With regard to minerals, Canadian production is considerably higher. Our production of 51 million tons of coal is six times greater than the Canadian output, but in all other minerals we fall far behind -- iron ore is only one-seventh of Canadian production, copper and lead ores less than one-quarter, zinc ore less than one-half, natural gas about one-twentieth, and crude oil one-fiftieth. Furthermore, Canada has unlimited natural resources still to be exploited.

In the manufacturing industry, our scale of production in certain fields is smaller than Canada's. Our newsprint output is less than one-ninth, wood pulp about one sixth and passenger car about one-half, although in 1962 our car production almost equalled that of Canada. But in other fields, we far surpass Canadian production. Our cotton yarn production is fifty times greater, radio about 20 times, television about 10 times, commercial vehicle 8 times and crude steel about four times.

So far I have reviewed the recovery and growth of Japan's economy since World War II to indicate the level of our economic achievements. But before considering the prospects of our future economic progress, I wish to explain briefly the underlying factors in Japan's high rate of economic growth.

The reasons for our rapid economic resurgence were outlined recently by the Minister of State and Director-General of Japan's Economic Planning Agency, Mr. Miyazawa, at the first meeting of the Canada-Japan Ministerial Committee in Tokyo, and I feel it appropriate to quote here the points he made.

1. Japan's war ravaged economy started its upsurge from a comparatively low level, and the various postwar measures and developments, such as the agricultural land reform, farm price support, organization of labor unions and social security programs, increased the purchasing power of the farm population and labor force;
2. As a nation heavily dependent on trade, balance of international payments is a prime factor in the stability of Japan's economic growth. Fortunately, freer flow of international trade since the war has enabled exports to rise steadily. In addition, considerable amount of foreign exchange was earned from special procurement of Allied forces;
3. The lag in technological development was overcome. Since 1955 technological innovations were vigorously pursued in all directions, and in a comparatively brief period the gap created during and immediately after the war was bridged;
4. Comparatively high level of education among the Japanese people and a large population of almost 100 millions made available an abundant skilled labor; and
5. Drastic reduction in the expenditures for national defence has made possible greater national spendings on economically productive endeavors.

To these observations of Mr. Miyazawa may be added that Japanese industrialists pursued a policy of business expansion with energy and made heavy new investment outlays despite the risks involved. Also, Japanese commercial banks, deviating from the orthodox financing principles, not only furnished operating funds but also advanced -- some times excessively -- large sums of capital to finance new investments in plant and equipment.

Another factor is the high rate of national savings at all levels, including the working population. In 1960, personal savings accounted for 19 per cent of the personal disposal income, a saving rate more than three times higher than that of Canada. This high level of domestic savings has made a significant contribution in accelerating the economic growth.

I would like to go on now to discuss Japan's future economic outlook.

As I mentioned earlier, the Japanese Government in November, 1960, launched what it called the income-doubling plan, designed to further improve the economic conditions by doubling the gross national product to \$72.2 billion, based on 1958 values, and raising the per capita income to \$579 by 1970. The successful realization of this ten-year economic program will bring our economic level close to the standards existing today in Western Europe.

The program, based upon principles of free enterprise, is not enforcing on the industry. The plan merely defines the long-term objectives our economic policy will strive to achieve and indicates the general direction in which the national economy should expand. The Government will carefully work-out concrete plans for state-controlled enterprises and public works. But private industry may take the program as an overall estimate of future developments and formulate their own plans. However, the Government is prepared to step in whenever the situation warrants to give guidance to private industry in a direction considered most desirable from the standpoint of the national interest. Therefore, the Government policy takes into consideration short-term shifts in the national economy and allows flexibility in formulating current policy decisions on the basis of actual economic development.

According to this long-range program, the average annual rate of economic growth is estimated at 7.2 per cent. This is somewhat lower than the average annual rate of 10.7 per cent for the years 1946 to 1953 and 9.79 per cent for 1953 to 1961, but it is still at a very high level from an international point of view.

Although this economic program may appear ambitious, the successful realization of the plan is absolutely essential if we are to find solution to a number of pressing problems in our national economy.

In Japan there exists a state of underemployment in certain sections of the economy, and even today it is estimated that several millions of the total working population of 45 millions are not in full-time employment. Therefore, the urgent task facing the nation is the gradual elimination of the conditions responsible for under-employment, while at the same time providing employment to new labor force which is expected to increase between 1,500,000 to 1,800,000 annually for the next several years.

Another of Japan's economic headaches is the existence of low productivity in a wide-range of industries, particularly in agriculture and medium and small-scale industries. This has been an obstacle in our economic development and a cause of various social tensions. For solution of this problem, we must further expand industries of high productivity so that they can gradually absorb the labor force of the low productivity sector. These distinct features in our national economic and social structures make it necessary for us to maintain a higher economic growth rate than in the other industrial countries.

The factors which will play a key role in insuring the success of the income-doubling plan are:

1. Whether or not development of roads, harbors and other social overhead capital can keep pace with the industrial expansion. It is expected that the state funds, which played an effective part in providing the essential capital during the period of industrial rehabilitation, will now be directed mainly towards improving public facilities.
2. Whether or not exports can keep up with the expanding import demands of the economy. The economic program estimates the value of Japan's trade in 1970 at \$9.9 billion in imports and \$9.3 billion in exports. These figures are 1.9 times the actual imports and 2.3 times the total exports in 1960. The predictions are made on the assumption that there will be continued rise in overseas markets; the fact that Japan's present share of the total world trade is only four per cent; and on the increased competitive position of our industries in the world markets as progress is made in the program. These conditions plus our own determined effort give us hope of achieving the objectives laid-out in the Government program.

During 1960 and 1961 fiscal years, the first two years of the income-doubling program, capital investment was increased at an annual rate of 30 per cent, which resulted in the gross national product registering a rise of 13.2 per cent and 14 per cent respectively, far above the expected rate of growth. The overheating of the national economy caused by a too rapid growth rate was immediately reflected in our international balance of payments position. In 1961 fiscal year,

as I said before, we incurred a trade deficit of over \$900 million and the resulting drain on our gold and foreign currency reserves, which dropped to below 1.5 billion dollars, created a foreign exchange crisis.

To correct the situation, the Government was forced to take a series of retrenchment measures in September 1961, and our economy entered a period of consolidation. In 1962 our overall balance of international payments recovered the equilibrium mainly due to increased exports. However, because of a slowdown in capital investment and inventory adjustment, the economic growth rate was restricted to four per cent. It was inevitable that the stringent Government monetary policy should create a slump in the consumer market, curtail the rate of production and consequently reduce profits of many enterprises.

In view of these internal hardships, the Government since October last year has been gradually readjusting the tight money policy. But our economy in 1963, however, cannot expect an early resurgence of private capital investment and must depend mainly on the increase of personal consumption, fiscal expenditures and export. The forecast, therefore, is a moderate rate of growth at a level slightly higher than in 1962 but much lower than those experienced in several previous years.

In short, it became apparent from the very outset of the income-doubling program that the previous too rapid rate in the economic growth had invited an acute deterioration in our international payments position, and it indicated clearly the vulnerability inherent in our economy. As a result of this serious and forcible warning to both Government and financial circles, it is expected that from 1962 onwards stability and flexibility will be the cornerstone of our economic growth along lines forecast in the overall long-term program.

With this summary of our economic progress, I wish now to examine our position in terms of mineral demands and prospects of increased Canadian mineral sales to Japan.

I mentioned earlier that Japan's industrial production between the years 1953 and 1960 had increased 2.6 times. During this period manufacturing production was up 2.8 times, with machinery and metals production showing more than fivefold jump and chemical, coal, petroleum and basic metal products about a threefold rise.

This trend is an indication that Japan's industrial structure, which was previously based mainly on textiles and products of light industries, is now developing rapidly around heavy and chemical industries. In 1953, products of heavy and chemical industries held 48 per cent of the nation's total manufacturing output and in 1960, their share was increased to 63 per cent. This changing pattern in our industrial structure means, of course, a rise in our mineral demands.

Let me give here some figures to show how Japan's mineral consumption increased between 1953 and 1960.

Crude oil consumption of 31.7 million kilolitre showed the greatest gain with a sixfold rise; bauxite and nickel were up fourfold with one million tons and 6,000 tons respectively; and up threefold were lead--97,000 tons, copper--300,000 tons, mercury--1,000 tons, and iron ore--16 million tons. Consumption of pig iron--13 million tons and steel--16 million tons also showed a threefold increase. Coal was the only item showing a very small gain of 16 per cent with 59 million tons.

In contrast to this large increase of mineral consumption, Japan's mineral resources are very poor. Only coal, mostly low-grade bituminous, is available in large quantity but production costs are very high. Even with a large domestic production of 51 million tons, the price of coal cannot compete with heavy oil for use as fuel.

Taking a serious view of the situation, the Government last year adopted a drastic nationalization program of the coal mining industry subsidized by large fiscal expenditure. Its aim is to achieve an

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REPORT OF THE
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THE ELEMENTS

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economical production -- that is at a cost competitive with heavy oil -- of 55 million tons of coal a year by 1967. But already shutdown of inefficient mines and unemployment of discharged coal miners are creating grave social problems. I am sure Canadians, who face similar problems in their coal mining industry, can fully appreciate the seriousness of the situation.

Besides coal, other minerals found in Japan are iron ore, copper, lead, zinc, sulphur, pyrite, manganese, limestone, dolomite, feldspar, gypsum, bismuth, barite, silica stone, gold and silver. But none are produced in sufficient quantity to meet domestic demands. In spite of our considerable efforts in prospecting and developing domestic oil resources, domestic production of crude oil has been limited to less than 600,000 tons a year.

Thus, Japan must depend on foreign sources for over 90 per cent of crude oil and iron ore, over 70 per cent of salt, and 40 per cent of copper ore and coking coal. Furthermore, in the case such as copper, gradual depletion of our resources will further increase our dependence on overseas supply. Nationalization of high cost lead, zinc and sulphur production to make them competitive with foreign resources has raised difficult social problems similar to the coal industry. Because of these adverse conditions in our mining industry, mineral production between 1953 and 1960 rose by only 24 per cent. On the other hand, our import of minerals and metals increased 4.3 times and mineral fuels 3.2 times. These figures indicate that our mineral imports expanded at a much higher rate than our manufacturing production which in the same period rose 2.8 times.

Our major mineral imports in 1960 and 1961 were:

Crude Oil -- 31 million kilolitres in 1960; 38 million kilolitres in 1961. Kuwait and Saudi Arabia were the main sources of supply. Since 1960 we have started to purchase crude oil from the Soviet Union and our annual import from this source is now about 3 million kilolitres. There were no imports from Canada.

Heavy oil -- 5 million kilolitres in 1960; almost 9 million kilolitres in 1961. The United States was the main supplier.

Coal, mainly coking coal -- 8 million tons in 1960; 11 million tons in 1961. The United States supplied over one-half the total. Imports were also made from the Soviet Union and Australia. It should be noted that import of Australian coal is rising sharply. From Canada 400,000 tons of Alberta coking coal were purchased in 1960 and 1961.

Iron ore -- 15 million tons in 1960; 21 million tons in 1961. The main suppliers were Malaya, India, the Philippines, Peru, Brazil and South Africa. From Canada one million tons were imported in both 1960 and 1961 from more than ten mines in British Columbia. The average distance over which iron ore is transported to Japan is no less than 4,600 miles, and the trend is for this mileage to become even longer. To reduce transportation costs, construction of mammoth ore carriers is now being planned.

Copper ore -- Over 400,000 tons in both 1960 and 1961. The main suppliers were the Philippines and Australia, but I wish to point out that keen interests are being shown in the B.C. copper mines. Last year we began to import from the Craigmont mines, and more recently, Bethlehem Mines and Sumitomo Metal Mining Co. have established joint mining operations and Japan will buy all the copper concentrates produced at the Highland Valley mines.

Nickel and bauxite -- We have no domestic resources for these metals and import over one million tons annually. New Caledonia supplies most of the nickel ore. A very small amount is imported from Canada. Bauxite is imported from Indonesia, Malaya and Sarawak.

Asbestos -- 77,000 tons in 1960; 115,000 tons in 1961. Thetford Mines in Quebec was our main supplier.

On the prospects of Japan's future mineral demands, I believe it reasonable to make a projection on the basis of the previously mentioned income-doubling plan.

According to the program, in 1970 the production of our manufacturing industries will have increased 2.7 times the level of 1960, and the weight of heavy and chemical industries is estimated at 75 per cent of the total production, compared with 63 per cent in 1960. For a clearer indication of the tremendous expansion forecast, I wish to give additional figures based on 1960 levels. In 1970 production in the machinery industry will be up 3.5 times; in the chemical, petroleum and coal processing industries up almost three times; steel--2.5 times and non-ferrous metals--2.2 times. This can only mean that our mineral demands will also rise sharply. As our domestic mineral production during this period will rise only 25 per cent, it is apparent that we must depend heavily on overseas sources to fill the gap.

In 1970 it is estimated that our import of crude oil will amount to 128 million kilolitres and coal 26 million tons, a fourfold and threefold rise over 1960. Although figures for other minerals are not definite, the volume of imports of iron ore and scrap iron may be estimated to increase twofold, and non-ferrous metal ores 2.6 times. The total value of our mineral imports, excluding non-metallic minerals, is estimated at over \$3.3 billion in 1970.

The predicted increase in our mineral import demands would mean, of course, that Canada, as one of the world's chief sources of raw materials, stands to benefit greatly. In 1960, our mineral imports from Canada amounted to over \$45 million, and if Canada can maintain the present share of Japan's mineral market, she will be earning \$131 million, or three times the value in 1960.

Canada is a close and friendly neighbor of Japan, and I believe that in order to secure a steady supply of minerals over a long period, Canada is our most dependable source. Use of mammoth ore carriers may make mineral purchases from the Atlantic coast economical, but I assure you that for the present and in the future Japan is mainly interested in mineral resources of the Pacific coast area.

But I wish to repeat here again that because of our economic position we must process the imported minerals and export the finished products to earn the necessary foreign exchange. Canadian mineral exports to Japan can increase if quality is high and price competitive. We in turn hope that Canada will actively buy our metal products, in particular equipment and material for mine and hydro-electric development, and road and transport construction, if their quality is good and cost moderate. At the present our share of the total Canadian import market is less than three per cent, and this leads us to believe that prospects for further exports are bright. I am confident that over a long period Canada will respond to our expectations for this is an essential condition in insuring the long-term development of trade between our two countries.

In British Columbia, Japan today has not only signed contracts with private Canadian mining interests for long-term mineral purchase but has also made capital investments. This is an indication that closer ties are being established in the field of mineral resources development. That B.C. is already benefiting from this relationship is seen in the estimated \$75 million mineral exports in 1963. Included are 2,210,000 tons of iron concentrates, 221,600 tons of copper concentrates, 585,000 tons of coal and 24,000 tons of nickel.

A great promise is held for the future of Yukon as a prosperous mining centre, and I can assure you that Japan will be watching with keen interest the developments that take place here. Japan is a highly promising market for minerals, and the continued economic prosperity of Japan may well mean a new era of prosperity for Yukon.

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According to the program, in 1970 the production of our manufacturing industries will have increased 2.7 times the level of 1950, and the weight of heavy and chemical industries is estimated at 12 per cent of the total production, compared with 9 per cent in 1950. For a clearer indication of the tremendous expansion forecast, I wish to give additional figures based on 1950 levels. In 1970 production in the machinery industry will be up 3.5 times, in the chemical, metal and coal processing industries almost three times, steel 2.5 times and non-ferrous metals 2.2 times. This not only means that our mineral demands will also rise sharply. As our domestic mineral production during this period will rise only 25 per cent, it is apparent that we must depend heavily on overseas sources to fill the gap.

The 1970 is as estimated that our import of metals will amount to 15 million kilowatts and more, 45 million tons, as fourfold and threefold rise over 1950. Although figures for other minerals are not definite, the volume of Japan's iron and steel production may be estimated to increase twofold, and non-ferrous metal over 2.5 times. The total value of our mineral imports, excluding non-metallic minerals, is estimated at over \$3.5 billion in 1970.

The predicted increase in our mineral import demands would mean, of course, that Canada, as one of the world's chief sources of raw materials, stands to benefit greatly. In 1950, our mineral imports from Canada amounted to over \$25 million, and if Canada can maintain the present share of Japan's mineral market, she will be earning \$11 billion, or three times the value in 1950.

Canada is a close and friendly neighbor of Japan, and I believe that in order to secure a steady supply of minerals over a long period, Canada is our most desirable source. Use of minerals on Canada's part may bring mineral purchases from the Atlantic coast economically, but I am sure that for the present and in the future Japan is mainly interested in mineral resources of the Pacific coast area.

But I wish to repeat here that the volume of our economic position we must process the imported minerals and export the finished products to Japan is not negligible. It is high for our competitive exports to Japan can increase to 200 million tons, and our competitive products to Japan can increase to 200 million tons. In turn, Japan's demand for minerals will also increase, and this is a good thing for our country. If this trend continues, it will be a good thing for our country. It is the present our share of the total Japanese market is less than three per cent, and this tendency to believe that prospects for further exports are bright. I am confident that over a long period Canada will respond to our expectations for this is an essential condition in insuring the long-term development of trade between our two countries.

In British Columbia, Japan today has not only signed contracts with private Canadian mineral interests for long-term mineral purchases but has also made capital investments. This is an indication that Japan's interest in the field of mineral resources is increasing. That B.C. is a mineral-rich area is well known. In 1953, included in the estimated 275 million mineral exports in 1953, included 2,500,000 tons of iron concentrates, 251,000 tons of copper concentrates, 521,000 tons of coal and 21,000 tons of nickel.

A great promise is held for the future of Yukon as a prosperous mining center, and I can assure you that Japan will be working with us to develop the Yukon in the near future. Japan is a highly promising market for minerals, and the continued economic prosperity of Japan will mean a new era of prosperity for Yukon.

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